

BUDGET & FINANCE COMMITTEE
of the
SUFFOLK COUNTY LEGISLATURE

Minutes

A regular meeting of the Budget & Finance Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York on Thursday, **June 17, 2004.**

MEMBERS PRESENT:

Legislator Andrew A. Crecca, Chairman
Legislator William J. Lindsay, Vice•Chairman
Legislator Allan Binder
Legislator Daniel P. Losquadro (excused absence)
Legislator Lynne C. Nowick
Legislator David Bishop

ALSO IN ATTENDANCE:

Mea Knapp, Counsel to Legislature
Ilona Julius, Deputy Clerk.
Jim Spero, Director of Budget Review Office
Ben Zwirn, Assistant Deputy County Executive
Alan Kovesdy, Budget office, County Executive
Lynne Bizzarro, Chief Deputy County Attorney
Sally O'Hearn
Steve Tettlebach, Southampton College
Chris Smith, Cornell Extension
Linda Bay, PO's Office
Nick Dispenziere, Aide to Leg. Nowick
Kevin LaValle, Aide to Leg. Crecca

MINUTES TAKEN BY:

Diana Kraus, Court Stenographer

(THE MEETING WAS CONVENED AT 1:23 PM)

CHAIRMAN CRECCA:

We're going to get the Budget and Finance meeting started. I apologize for our tardiness especially to Legislator Bishop. And I would ask everyone to rise for the Pledge of Allegiance and ask that Dave Bishop lead us in the pledge.

(SALUTATION)

CHAIRMAN CRECCA:

Folks, thank you for your patience. Legislator Losquadro has an excused absence today. And I do not know the whereabouts of Legislator Lindsay, but I'm sure •• is he here? Bill, if you're in the building, come join us.

I have one card. And that is Sally O'Hearn. Miss O'Hearn, if you would come up, and, again, I thank for you your patience.

MS. O'HEARN:

No problem.

CHAIRMAN CRECCA:

You are from Concepts •• representing Concepts, Inc. The Place and the Quality Consortium of Suffolk County. And your topic is budget cuts.

MS. O'HEARN:

Right.

LEG. BISHOP:

You are for them.

MS. O'HEARN:

David, how could you?

CHAIRMAN CRECCA:

You can call him David; it's okay.

MS. O'HEARN:

As long as I have your permission.

Good afternoon. As you already know, my name is Sally O'Hearn. I am a board member for Concepts, The Place. It's an outpatient substance abuse treatment facility in Northport. And, I have a statement to read from the Quality Consortium of Suffolk County.

"I'm here as a representative of the Quality Consortium of Suffolk County to state that the projected 2005 Suffolk County proposed budget cut must be addressed. The preliminary budget required a 10% cut of Suffolk County monies to funded agencies. To again remind you, this will result in the loss of matching state dollars, closing of treatment sites, staff layoffs, staff positions remaining unfilled. This of course results in a severe reduction in treatment services. Please understand that even though you were successful in restoring the 10% cut last year, it was actualized in November. Therefore, no direct services were provided with that money. Salaries cannot be paid retroactively. So even though the money was restored, services were reduced. That is not frugal. During difficult fiscal times, we need to spare our limited resources and get the most services out of our limited dollars. As it stands now, our agencies continue to experience difficulty balancing our budgets as we recover from last year's budgetary errors. Even with the restoration of funds late last year, the Quality Consortium agencies are presently operating at lower than 2002 budget. The proposed 2005 budget even without an additional

reduction will result in our agencies operating with even less operating funds than we received in 2002, as our expenses, as everyone else, has continued to rise due to increases in inflation. Please do not allow for that to happen. Every dollar invested in substance abuse treatment the taxpayers pay \$7.46 in criminal, social and medical costs. Quality drug and alcohol treatment and prevention services are increasingly in demand in this County and successful services have proven to result in a reduction of societal costs. Please help us to continue to provide our services to the residents of Suffolk County. It is economically sensible to maintain adequate funding for our service delivery system. Please vote to add a 2% cola increase to our budget for 2005."

Thank you. Any questions?

CHAIRMAN CRECCA:

Yes, Miss O'Hearn, Legislator Binder has a question.

MS. O'HEARN:

Yes.

LEG. BINDER:

I'm just not sure where you came up with a 10% cut for 2005. The County Executive's list the budget in September for 2005. And I've been listening to a lot of statements, concerns, about the revenue projections, but I have not heard about a call to the departments for cutting contract agencies 10%. So, if you heard something that I haven't heard, I'd love to find out where you got it.

MS. O'HEARN:

Well, I'm not the budget person but I can certainly have our agency's budget person contact you and tell you where it came from.

LEG. BINDER:

Okay. I can tell you from my perspective and at least I was talking to Chairman kind of privately here, we were questioning where that might have come. And neither one of us have heard a suggestion. And I would assume •• the only place it would come is the County Exec's office. And we haven't heard that yet. It could happen. And I think we're all watching the revenues quarter by quarter sales tax revenues, what's happening on Medicaid, pensions. I

mean all these questions are still in front of us, not behind us. But I haven't heard about a 10% proposal yet so •• something that •• you probably don't have to be concerned at out of the box at least •• about out of the box now.

MS. O'HEARN:

I think I know but I don't want to mislead you in the event that I'm wrong. So I'd much rather have someone contact you and tell you exactly where it came from.

LEG. BINDER:

Thank you.

CHAIRMAN CRECCA:

Are there any other questions for Miss O'Hearn?

LEG. BISHOP:

Yeah, I have a question.

CHAIRMAN CRECCA:

David. Legislator Bishop, I'm sorry.

LEG. BISHOP:

Thank you for coming. I'm not familiar with your program but I've never had the privilege of serving on the Health and Human Services Committee. But what I'm interested in is, as you may know from press accounts, controlling the jail population, I just want to know is your agency currently maxed out in terms of how much it can •• patients that it can •• take in clients?

MS. O'HEARN:

It's a constant balancing act. We try to do as much as we can with the funds that we have. Whether or not we're maxed out, I really couldn't tell you. I'm on the board and ••

LEG. BISHOP:

Right. Okay.

MS. O'HEARN:

But if you would like, I'll have Joan Era, our Director, contact you.

LEG. BISHOP:

Because what I'm interested in is whether the viability of alternatives is a lack of treatment slots for ••

MS. O'HEARN:

I think that may be very well be part of it. I know she ••

LEG. BISHOP:

So, if you have that information on that, from your own agency's perspective, I would appreciate receiving it.

MS. O'HEARN:

Okay. I'll be very happy to get it for you. 10% and max. Anyone else? My apologies to Legislator Nowick. You had to hear it a second time.

LEG. NOWICK:

It's okay.

CHAIRMAN CRECCA:

Thank you, Miss O'Hearn. Thanks for coming down. Is there anyone else who would like to speak during that public portion of this meeting. Hearing none, we'll go right to the agenda.

Tabled Prime Resolutions. The first one is **Introductory Resolution 1200 amend the 2004 Operating Budget and the Salary and Classification Plan to establish a compliance officer to insure accountability.** Do I have a motion on that?

LEG. BINDER:

Discussion on it?

CHAIRMAN CRECCA:

Legislator Binder has a request, Counsel, for you to give us the highlights of the bill.

MS. KNAPP:

This local law, I believe, contains a provision •• hold on just a minute. I'm sorry. It's a resolution that would amend the Operating Budget to create a position, grade 31 compliance officer, within the Office of Budget Review. And that person would be required to review expenditures by County employees for travel, supplies and equipment. Basically an audit function.

CHAIRMAN CRECCA:

There's a motion to table by myself, seconded by Legislator Binder. All those in favor? Opposed? **1200 is tabled. (Vote: 6•0)**

Moving onto **1441 amending the 2004 Capital Budget and Program and appropriating funds in connection with the purchase of a catamaran patrol vessel•police.** Budget Review, if I would ask you or Counsel, either one can answer the question, has the offset been changed on this? I know everyone on the Committee was supportive of moving this forward, but there was a request to the County Executive's Office to change the offset.

MR. SPERO:

I haven't seen the corrected copy of the resolution. So, the offset remains project 1755.

CHAIRMAN CRECCA:

Did you want to come up with, Mr. Zwirn?

MR. ZWIRN:

I'll come up.

CHAIRMAN CRECCA:

You're actually looking like a republican today, Ben. Almost like a Nassau Republican.

MR. ZWIRN:

Are there any left? I think there are a couple. The offset has stayed the same.

CHAIRMAN CRECCA:

Is there an intention to change it, or no?

MR. ZWIRN:

I don't think so at this time.

CHAIRMAN CRECCA:

Motion to table by Legislator Binder, seconded by myself. All those in favor? Opposed? **1441 is tabled. (Vote: 6•0)**

1463 amending the 2004 Operating Budget creating a position in the County

Legislature Budget Review Office. There's a motion to table by myself, seconded •• is this •
• Jim, this isn't ready to go, right?

MR. SPERO:

The amended version was submitted.

CHAIRMAN CRECCA:

Oh, it was.

MR. SPERO:

Yes.

CHAIRMAN CRECCA:

Oh, I'm sorry. This is •• this is to create the additional ••

MR. SPERO:

Transfers. \$275,000 to the County Clerk's permanent salary account to make up for an anticipated shortfall and appropriations in the County Clerk's office.

CHAIRMAN CRECCA:

Wait. You're looking at the wrong bill. 1463.

MR. SPERO:

No, this is the right one.

CHAIRMAN CRECCA:

Different bill.

MR. ZWIRN:

No, the title is misleading but Jim's correct.

LEG. BISHOP:

If the substance of the text doesn't match the title of the bill, on its face, it's defective.

CHAIRMAN CRECCA:

Actually, this is my bill. I apologize. I know what this is. There's a motion to table by myself, seconded by Legislator Bishop. All those in favor? Opposed? **1463 is tabled. (Vote: 6•0)** I got it confused with another bill. And this bill is not ready to be moved. It's the lack of candy. I've had no candy. I need my sugar fix.

1476 adopting a local law, a Charter Law, to allow amendment of the Capital Budget for mandated projects. Budget and Finance. And this is sponsored by Legislator Caracappa. There's a motion by myself to approve.

MS. BIZZARRO:

I'd like to put a small statement on the record, please.

CHAIRMAN CRECCA:

Sure. Is there a second on the motion to approve?

LEG. BINDER:

Second.

CHAIRMAN CRECCA:

Seconded by Legislator Binder. On the motion, Ms. Bizzarro.

MS. BIZZARRO:

Oh, thank you. Good afternoon. I just wish to put a small statement on the record on this. And I'd like to also •• I had done a short legal opinion that I'd like to offer into the record.

"This resolution proposes to amend a Charter Law that requires any amendment to be accomplished by mandatory referendum. As the bill before you is subject to only to a permissive referendum, it is not valid. In addition section 23 of the Municipal Home Rule Law

enumerates action that require mandatory referendums. At section 23 (2) (f) in the event there is a curtailment of any power of an elected officer, a mandatory referendum is required. As the bill before you curtails the powers of the Legislators, this section applies and requires a mandatory referendum. The case law fully supports that the curtailment of charter powers with respect to budgetary items requires mandatory referendum. Finally, the doctrine of legislative equivalency dictates that existing law be amended by the same procedures as were used to enact the original law. The law being amended was adopted by mandatory referendum. Finally the bill seeks to include funding for projects mandated by state or federal law as a category to afford the Legislature an opportunity to amend the Capital Budget during the year. The term mandated, however, is defined nowhere. Although that term is defined in the Operating Budget of the Charter, there is no corresponding definition in the Capital Budget portion of the Charter. I highly recommend defining that term." Thank you.

CHAIRMAN CRECCA:

Miss Bizzarro, and I apologize, I was talking a little bit while you were speaking, but I was listening with three quarters of an ear, is it your position that to do this requires a mandatory referendum?

MS. BIZZARRO:

Correct.

CHAIRMAN CRECCA:

Okay. I guess my question would be for you that while the original bill was done with a mandatory referendum, it's been amended on three separate occasions, this section. On two of those occasions, are you aware it was done by permissive referendum?

MS. BIZZARRO:

No, I had looked through the history of this. This is bill had only been •• as far as my understanding was, it had only been amended once and it had been done with a mandatory.

CHAIRMAN CRECCA:

My understanding, and I'll ask counsel if she has anything to add, was that it's been amended on three separate occasions, two times by permissive referendum. I believe one of those was

sponsored by Legislator Levy at the time.

And it was done ••

LEG. BINDER:

It was written by Sabatino.

CHAIRMAN CRECCA:

Yeah, it was •• our prior counsel thought it was to •• okay to do it by permissive referendum.

MS. BIZZARRO:

I actually read an opinion by Paul Sabatino that was written •• I'm not sure how long ago, but indicated in that that a mandatory referendum was required as well under the similar or the same analysis that I just went through.

CHAIRMAN CRECCA:

Why don't you ask him on the microphone and direct the question ••

LEG. BISHOP:

Do I have the microphone that works?

CHAIRMAN CRECCA:

Yes, now you do.

LEG. BISHOP:

What is the rule that the voters passed? The original Charter Law?

MS. BIZZARRO:

Which section of it is?

LEG. BISHOP:

No, not the section. What does it say? In two sentence form. You can't do this or you can. Lynne, what does it say?

MS. BIZZARRO:

The rule •• the rule says that you can •• you need an offset to do an amendment.

LEG. BISHOP:

Okay.

MS. BIZZARRO:

And there are certain categories that you don't need that offset for. This bill before you is adding to that category.

LEG. BISHOP:

Right. It's adding an additional category of mandated items.

MS. BIZZARRO:

Right.

LEG. BISHOP:

Now, does the Executive disagree with the goal of the resolution on policy; not on the form?

MR. ZWIRN:

Yes.

LEG. BISHOP:

Okay. And what's the policy disagreement?

MR. ZWIRN:

Well, because you're not •• you're not really accomplishing anything? You're still adding to the burden of the taxpayers. You're breaking through the cap. We just try to protect the taxpayers. You're just adding •• you're going to add debt.

LEG. BISHOP:

It eviscerates the cap.

MR. ZWIRN:

That's correct.

CHAIRMAN CRECCA:

I'm looking at •• just to give you a little history •• well, I think policy•wise, you know, I certainly agree with the bill from policy•wise. I think the question has been procedurally does it have to be done by mandatory referendum or permissive. I'm looking at Introductory Resolution 1492 of 1989, which amended the same article of the County Charter; same exact

section. And this was done by permissive referendum. That bill was signed into law by County Executive Halpin at the time. It was sponsored by Legislators Levy and •• I don't know who the other one is •• G•a•u ••Gaughran. Okay. Way before my time. I was •• I was still in law school at the time. But it was done by permissive referendum then. And I believe there are other occasions too, so, you know; again, I don't know why •• what bars us from doing it by permissive referendum.

MS. BIZZARRO:

Well, are you aware that the amendment to this bill specifically states that it must be my mandatory referendum? I mean, it's right there in the statute. I won't comment on what has been done in the past. I'm here now and I'm commenting on what should be done now. I have a bill before me that needs a mandatory referendum because the statute itself states that.

CHAIRMAN CRECCA:

Well, these prior amendments, if they were done that way, are they invalid, then?

MS. BIZZARRO:

I can't comment on that. I don't know.

LEG. BINDER:

Well, Mr. Chairman, can you tell me what that one in •• Mr. Levy's bill was in 1999 •• 1989?

CHAIRMAN CRECCA:

I'll let counsel explain it.

LEG. BINDER:

All right, if counsel can explain what it did.

MS. KNAPP:

It was amendment to section 4•13 to impose a requirement that all capital budget amendments be accompanied by a written analysis describing the contemplated project and outlining the effect of completing such a project.

LEG. BISHOP:

That's not an offset issue.

LEG. BINDER:

No, no, but it's still an amendment to the section.

MS. KNAPP:

Same section of law.

LEG. BINDER:

Right. Same section of law; so the question really almost before us is to whether that is mandatory.

CHAIRMAN CRECCA:

Legislator Bishop.

LEG. BISHOP:

But it's not mutually exclusive to the section. In one sense the law is providing direction. You have to have an offset. This says you have add some paper work to it. I don't think that gives you license, then, to get rid of the rule of the offset because you pass something that says you need paper work.

MS. KNAPP:

Well, there are already instances in which you don't need an offset. This adds to the list of what does need an offset.

LEG. BINDER:

The point is is that there are exemptions in the law. What this would do is exemptions. One of my •• counsel ••

LEG. BISHOP:

The Levy one in '89?

MS. KNAPP:

No.

LEG. BINDER:

No. County Attorney posits that what we have is, I guess, two things. Number one, we did •• that if we did it one way, if we did it only the first time by mandatory referendum, we got to follow it by mandatory referendum except that we have something that was done by mandatory

referendum, the amendment to the same section, by Legislator at the time Levy, with the permissive referendum. And it has been taken as law. And it was also written by the Chief Deputy County Executive. So, the question is whether that has created some kind of precedent. And that's what you have to look at.

MS. BIZZARRO:

I'm sorry, I didn't mean to interrupt you, Mr. Binder. The added difference here could be •• and I only say could because I don't know •• I'm not familiar with the sections that you're referring to that were done by permissive referendum, is that specifically under section 23 of the Municipal Home Rule Law, notwithstanding what this Charter Law reads, it specifically falls under the requirement for a mandatory referendum in that it curtails the power of the elected officers. I don't know if that prior one did that.

LEG. BINDER:

That was my next •• let me •• I can pursue that, Mr. Chairman. That was actually my next question because you had said that it curtails the power of the Legislature. It seems to me it actually enhances the power of the Legislature.

MS. BIZZARRO:

It does both. It enhances and curtails.

LEG. BINDER:

I don't know how •• explain how it constricts ••

MS. BIZZARRO:

Those arguments have been made time and time again.

LEG. BINDER:

Let me explain what I'm saying. It clearly enhances by giving us an exception and an ability to do something which we would not be able to do without law which, which is to pass an amendment without an offset. So, I can see where our power is enhanced. Now, if you can explain where the constriction is.

CHAIRMAN CRECCA:

Legislator Binder, I'd like to get our own counsel's input on this particular point you're bringing up.

LEG. BINDER:

If I can have Ms. Bizzarro comment on where she sees the restriction; and then I was going to ask our counsel to comment on all of those comments we just made. I just want to put that on the record; where our constriction is.

MS. BIZZARRO:

I'm sorry, I didn't ••

LEG. BINDER:

In what way is •• it seems to be an expansion of power by giving us exemptions where we're able to act in an instance where we wouldn't act before the amendment. But I don't see where it give us a constriction of power limiting our actions in some way. It just expands or ability to act.

MS. BIZZARRO:

Well, on the one hand, it's an enhancement for those that are •• for this ability to be able to amend without the offset. And those that are opposed to that ability are getting hurt by this change.

LEG. BINDER:

But that's not a restriction. A power. Power is enhanced by the body. No, the institution has the ability to do something that it couldn't do before. That may make some people not happy because they don't want it to happen; but that's not some restriction of their power. The institution •• the institution's •• I would argue very •• and I think a court would follow •• that ••

MS. BIZZARRO:

And I've seen it argued before. And the courts have said, yes, it's an enhancement to one and it's a detrimental effect to those that don't want it. Before moving forward, this new category couldn't be amended unless you had an offset. There was no fight, there was no power, nobody could do anything on that. Now that it's being raised to a level of a new category, that's an exemption more or less to the offset requirement, you're now putting those that don't want that ability in a detrimental position. Now, they're saying ••

LEG. BINDER:

I understand. But I think the question is for the institution. The institution itself or the Legislature as a body has an enhanced power to do something that they didn't have prior to an amendment. And then •• and the power still exists with people to oppose it.

MS. BIZZARRO:

It could also be looked at ••

LEG. BINDER:

I understand. You're looking at it as for those pro and against. I'm looking at it as an institution, does it have an enhanced or restricted ability to post•amendment. And that's the question. I already asked counsel to ••

CHAIRMAN CRECCA:

Yeah, I was going to ask counsel to clarify on this particular point, too, while we're discussing it. So, take it away counsel.

MS. KNAPP:

The comment that I'd like to add on it, and, you know, I don't entirely disagree with the position that Ms. Bizzarro has taken if we had not amended this thing three times and done it three different ways. If we go back to the discussion of curtailing the power of an elected official, I go back to the 1989 amendment by Legislator Levy. And in that rule 28, it says since this law curtails the power of elected officials, it will be subject to a 60•day permissive referendum requirement and will apply to all actions taken on resolutions filed on or after. So, in that case the argument was made that it curtailed the power of an elected official and that the appropriate referendum would be the 60•day permissive referendum, which is what this one contains. I think that my •• the end result of the legal analysis is that had it never been amended, I would agree with Ms. Bizzarro. But because it's been amended by a piece of legislation of equal dignity, a Charter Law amendment and we have done it three times, that I think that •• that original requirement may have been certainly changed.

MS. BIZZARRO:

I guess I'm having trouble reconciling that with section 23 of the Municipal Home Rule that specifically requires the mandatory referendum, you know, in instances where there's a curtailment of power.

MR. ZWIRN:

Mr. Chairman, can I just ask a question? I just have two questions.

CHAIRMAN CRECCA:

Sure, Mr. Zwirn.

MR. ZWIRN:

One is a •• what is the policy benefit to the taxpayers for this particular legislation? And two, can you define what a mandated project is? There's no definition of what that could be.

CHAIRMAN CRECCA:

Legislator Nowick.

LEG. NOWICK:

Yeah, I think counsel has attempted to answer my question. You know, as I sit or here with now how many •• one, two, three, four, five attorneys, and two of us that bring some sense into this Legislature, I don't understand how everybody has a different interpretation. My feeling is, Mea, that's what you're getting the big bucks for so tell us what to do here.

MS. KNAPP:

I think you should vote on the substance of it. And I think that the issue of the referenda has been sufficiently clouded so that the one that's in there is fine.

LEG. BISHOP:

Mr. Chairman?

CHAIRMAN CRECCA:

Before I go to •• Legislator Bishop has been waiting patiently, which is rare for Legislator Bishop.

LEG. BISHOP:

Thank you. The Charter Law creates a cap. And an obligation to use an offset when you're in the capital budget. It's all right. The Charter •• I just want to make this point. The Charter Law creates a cap and an obligation to use an offset; correct? It's a law designed to save Legislators from themselves. Then, counsel, County Attorney comes along and throws you a life preserver to also save you from yourself and to point out the technical deficiencies. But ultimately if you're determined to eviscerate this law, you'll do so. And you're going to do

damage to the taxpayers. What does it matter if your borrowing is mandated or not mandated? Ultimately you're going to have to pay it back with interest. And the way the law is written right now, if you're going to build mandated items, then you need offsets on the rest of the Capital Budget so that you don't blow through caps so that you don't harm taxpayers over the long run. That's what this is really about. The County Executive has taken the correct position in this circumstance, which is, if we're going to do a lot of "mandated" items, then we're going to have to cut elsewhere. And I don't understand, you know, the desire to blow through the Capital Budget that some of my colleagues have. It's going to create long-term implications financially that are very damaging.

LEG. BINDER:

Okay. Mr. Chairman, if you don't mind, I'll just finish up. Thank you. Let me ask, Counsel, the second part as they were going through in, and Mr. Zwirn brought it up but I was going to get to it because trying to parse through each of their objectives; the last objection was a question on mandates. And the question on mandate, which seems to be somewhat of a problem is that the definition of mandates is in the operating side, not in the capital side. And there might be a necessary definition section needed in this legislation to refer to that to bring it into here so it's clear as to what we mean by federal and state mandates because obviously we can't •• what we can't do is leave this up to Legislators' whims as to what we mean and to say, well, you know, we just had a mandate because we think so. So, I'm somewhat troubled by that argument of all the arguments. The others I can kind of somewhat argue on; but without a definitional section •• and let me ask counsel as to if •• if counsel thinks there's a possible deficiency there or a necessary definition.

MS. KNAPP:

To the extent that mandated is one of those words that does have a dictionary definition, I believe that it's sufficient. But certainly, you know, if an amendment were required, I would be happy to go back and put in something like dictionary definition.

LEG. BINDER:

I guess my concern is that the word mandate may have a general use definition except for us if has a term of art definition in budgeting. And it has, since I'm here, you know, stopped the mandates to New York State we owe and stop the mandated, you know, the non-funded mandates and things. And we're very specific about what we're talking about. Because some things seem like a mandate and they're not. And then we have •• we have a very big argument often between the operating and capital side is to what exactly is mandated •• what

should be the mandated budget, what should not be in the •• what should be in discretionary budget. And we've gone through that a lot. So, I am concerned about that particular term without a definition.

MS. KNAPP:

I believe that when Mr. Spero and I discussed this, while we use the word mandate, and again I'll ask him to correct me, we were using it in the dictionary sense required by state law as opposed to any specific term of art. Mr. Spero disagrees with that.

MR. SPERO:

It would be something that's required of the County to construct in the case of correctional facility being one item. It could also possibly extend to sewage treatment facilities if the County's under a court order to make certain improvements to those facilities to meet certain effluent standards. Those are the areas that come to mind vis•a•vis mandated type of capital projects. It also extends to the capital budget the same flexibility that we have in the Operating Budget. And that is there is no cap on mandated operating expenditures. The mandated side of the budget can free float to the extent necessary to funds those items.

MS. BIZZARRO:

And then if I could just highlight in the operating budget, we define mandated as goods, programs or services that are statutorily required by the state or federal government or for the repayment of all debt, principal and interest thereon. So, we actually give it •• give it a hands •on. We give it a definition. And you can't just automatically assume that the same definition's going to flow into the capital portion of the Charter as well. So, it •• as I said, I recommend that you somehow define that term.

MR. ZWIRN:

And I just in close for me, I just •• Legislator Bishop made a very good argument that we agree with; and I'd like to hear somebody argue just the other side, what would be the policy benefit of passing this legislation?

CHAIRMAN CRECCA:

I'm going to make a motion to table at this point. We've discussed this ad naseum. And I think we can discuss it more, but not today. Second by •• did you want to talk, Bill, I'm sorry, today? No, if you would love to speak today, I would love to hear from you. Yes, I'm going to •• it's not tabled yet. It did not take the vote. It was seconded by Legislator Nowick. On the tabling motion and on anything else you'd like to speak about, Bill.

LEG. LINDSAY:

The only problem and I agree conceptually with what you're talking about, although the biggest project before us now, the jail that is bantered about politically as being a mandated project really isn't. I mean we have the choice of shipping prisoners out of county at a huge, huge expense. That's our choice. We don't have to build a facility. We can bear the burden of shipping people upstate. But, the thing that I finds troubling about this is really the County Executive's prior position on this when he was a Legislator, you know, by what I just heard now that he sponsored legislation to do the same thing.

MR. ZWIRN:

No, no.

LEG. LINDSAY:

He didn't?

MR. ZWIRN:

What I heard was that he sponsored legislation to require it to be explained a little bit better; whatever you're doing. That's a big difference of busting through the cap than just getting an explanation for what you're doing. I think that is a more conservative approach, which I think we would all agree. It was a good idea. This, I just don't understand the policy benefits to the taxpayers because then you could argue that everything is a mandated project and then ignore the cap completely. Just keep •• just keep •• just keep passing legislation appropriating money and say it's mandated.

LEG. LINDSAY:

Yeah, but the issue of what is •• that definition of what's mandated or not, I think, is, you know, the devil's in the details here.

LEG. BINDER:

Mr. Chairman?

CHAIRMAN CRECCA:

Yes, Legislator Binder, but very briefly.

LEG. BINDER:

Right, very briefly. What the County Executive had done as a Legislator was to say that he could amend through permissive referendum what was passed as a mandatory referendum. And then we're saying same thing. He's saying no, you can't. He's changed that position. Not on the substance, from the policy issue. The question of the mandated permissive referendum.

CHAIRMAN CRECCA:

Okay. There's a motion to table pending by myself, seconded by Legislator Nowick. All those in favor? Opposed? **1441 is tabled. (Vote: 6•0)**

1463 •• sorry. What happened to 1463? Tabled. All right.

1505 amending the 2004 Operating Budget and transferring funds for Amityville Police Department. This is sponsored by Legislator Bishop. I assume there's a motion to ••

LEG. BISHOP:

On the motion. Motion to approve but ••

CHAIRMAN CRECCA:

Seconded by Legislator Lindsay. On the motion, Legislator Bishop.

CHAIRMAN CRECCA:

You want to force a debate.

LEG. BISHOP:

I wasn't at the last Finance Committee meeting, which I was reminded about 38 times on the agenda the Tuesday following it. List who missed the meeting on every vote but ••

CHAIRMAN CRECCA:

Hence the reason you're here today.

LEG. BISHOP:

I know that Mr. Zaccaro, on my behalf and on Bill's behalf, offered up the arguments in favor of it. And I was told that they were generally accepted but that you wanted the change in the offset. We did change the offset to something recommended by the Budget Review Office.

CHAIRMAN CRECCA:

Yeah.

LEG. BISHOP:

And I hope you find that.

CHAIRMAN CRECCA:

Was that the only objection by the County Exec's Office?

MR. ZWIRN:

That was it.

CHAIRMAN CRECCA:

Okay. It was just the offset.

MR. ZWIRN:

Just the offset.

CHAIRMAN CRECCA:

And what is the offset now, Jim?

MR. SPERO:

Permanent salaries in health services, general administration. We're anticipating a surplus in that account.

CHAIRMAN CRECCA:

All right. Now that it has the County Executive's support, I see no reason not to move this.

There's a motion and a second. All those in favor? Opposed? **1505 is approved. (Vote: 6•0)** Congratulations, David.

LEG. BISHOP:

Congratulations to my aide, who's going to have a heart attack.

CHAIRMAN CRECCA:

1514 amending the 2004 Operating Budget in the County Legislature. This is the other bill. And I'm making a motion to table this bill.

LEG. NOWICK:

Second.

CHAIRMAN CRECCA:

Seconded by Legislator Nowick. All those in favor? Opposed? **1514 is tabled. (Vote: 6•0)**

1550 amending the 2004 Operating Budget to transfer funds from the Suffolk County Water Protection Fund (477) Reserve Fund to the Cornell Cooperative Extension of Suffolk County for "Restoration of Peconic Bay Scallop Populations and Fisheries".

This is the restoration of Peconic Bay Scallop populations and fisheries bill. And this had been •• yeah. Just before we go to the questions, I just want to point out that I'm going to pass over this because there are a number of resolutions that deal with the 477 account. I'd like to discuss them altogether so we'll pass over for a moment.

We'll go to 1555 which is amending the Adopted 2004 Operating Budget to reduce funding for Health Clinics. There's a request by the sponsor to table. I'll make a motion to table. And seconded by Legislator Bishop, of course. All those in favor? Opposed? **1555 is tabled. (Vote: 6•0)**

That brings us to Introductory Resolution recommitted from the June 8th General Meeting. And I'd like to now go back to 1550 and consider 1550 through 1554 for the purposes of discussion. Ask Bill Shannon to come up and join us. And we have Budget Review here. And we are back to •• yeah. Just to •• just for my fellow committee members, at the General Meeting there was some question as to the amount of funds in the 477 account, in that fund. The breakdown of those funds. And I think what our charge was from the General Meeting was to look at how much money's in 477 and make a determination on the merits. Number one is, if these projects from a policy point of view were appropriate expenditures with the money that ••

taking into consideration the money that is there and the money that will be there in the future. Yeah, there was also a question, as Legislator Binder aptly points out on the Bay Scallop Bill the amount that was being charged by Southampton College, the administrative fee. With that in mind, Legislator Bishop, I cut you off before. You had a question on 1550, the scallop people.

LEG. BISHOP:

Well, it's not specific. I have a question on the overall account. Mr. Spero, Mr. Kovesdy, do you guys agree on what the status of the account is?

MR. SPERO:

No.

LEG. BISHOP:

How much time do you need? Can we take a break?

CHAIRMAN CRECCA:

We're going to take a recess. Why don't you guys talk amongst yourselves. Let's go to the Prime Introductory Resolutions. I'm going to pass over 1551, 53 and 54.

Going to 1599 amending the 2004 Operating Budget and reappropriating unexpended, uncommitted 2003 funds in Fund 176 to the 2004 Operating Budget. Who writes the titles to these bills?

LEG. BISHOP:

I thought you couldn't do that. I thought the funds can't roll ••

CHAIRMAN CRECCA:

Is this •• I hate to interrupt the budget guys, but is this do•able?

LEG. BISHOP:

Don't interrupt them. We'll go back to it.

CHAIRMAN CRECCA:

All right. 1601. Skipping over 1599. Introductory Resolution 1601 to readjust, compromise and grant refunds and charge backs on real property correction of errors by County Legislature.

LEG. BISHOP:

Motion.

CHAIRMAN CRECCA:

Motion by Legislator Bishop, seconded by my myself to approve and place on the consent calendar. All those in favor? Opposed? **1601 is approved and placed on the consent calendar.**

1602 also to readjust, compromise and grant refunds and chargebacks on real property correction of errors by County Legislature. Same motion, same second, same vote. (Vote: 6•0)

1614 apportioning mortgage tax by County Treasurer, Budget and Finance. There's a motion by Legislator Bishop, seconded by myself to approve and put on the consent calendar. Motion to approve. All those in favor? Opposed? **1614 is approved. (Vote: 6•0)**

Do you guys need more time? Okay.

1599 is amending the 2004 Operating Budget and reappropriating unexpended, uncommitted 2003 funds in Fund 176. Jim, I need your attention for a moment on 1599. Can you explain to us what is being done? And if that •• how is that permissible. This is 1599.

MR. SPERO:

Okay. This resolution's appropriating \$4,451 that was unexpended in 2003 and reappropriating those funds for 2004 in fund 176.

CHAIRMAN CRECCA:

Yeah, I guess the question from some Legislators were how can you take money •• unexpended money from 2003 and appropriate it to 2004.

MR. SPERO:

This is one of those non•lapsing funds.

CHAIRMAN CRECCA:

Ah, the non•lapsing. How many other non•lapsing ones are there?

MR. SPERO:

There's only like \$4400 left in the fund to be expended. So this would just use up the rest of this money.

LEG. BISHOP:

I know, but we're always told you can't do that. So, we're confused.

CHAIRMAN CRECCA:

But it's a non•lapse ••

MR. SPERO:

It's one of those revolving funds, so to speak.

CHAIRMAN CRECCA:

What fund is ••

MR. SPERO:

Fund 176.

CHAIRMAN CRECCA:

Which fund?

LEG. BISHOP:

The non•lapsing one. I'm going to put all my projects in there now.

CHAIRMAN CRECCA:

Is that in Parks, Jim?

MR. SPERO:

Yeah, this is Parks. It would be appropriate the funding for repairs to buildings and for laundry

and sanitation.

CHAIRMAN CRECCA:

And where is it being expended?

MR. SPERO:

Appropriation 77113.

LEG. BISHOP:

Is it money that's collected in fees? Is that what the heck is going on?

CHAIRMAN CRECCA:

It's fine. There's a motion •• is there a motion and a second? There's a motion by Legislator Lindsay, seconded by Legislator Bishop.

All those in favor? Opposed? I'm going to actually abstain on this vote. **1599 is approved.**

(Vote: 6•0)

And, Jim, at the General Meeting, if I could just get a little more specifics on that, I'd appreciate it.

MR. SPERO:

I will check it out for you.

CHAIRMAN CRECCA:

We're back to 1550 through •• which one did you want to go back to, Bill?

LEG. BISHOP:

The first one, 1550.

CHAIRMAN CRECCA:

Right, okay. 1550 through 1554. And Legislator Bishop has a question.

LEG. BISHOP:

Let me begin by asking Counsel, budget folks, Legislators, do we all agree that the account ••

accounts are segregated; in other words, that you cannot use water quality money for open space?

CHAIRMAN CRECCA:

You're talking about the water quality restoration part of the fund; correct? Is separate from the open space and farmland.

LEG. BISHOP:

Right. Everything is segregated. That's how I understood the referendum which I was one of the sponsors of to be but ••

MR. SPERO:

Technically I believe the law requires that separate funds be set up for these purposes. That has never been done. The funds are all commingled. And it's just being segregated as a matter of accounting. But technically the funding for the different purposes under the program should be set up in separate operating funds.

LEG. BISHOP:

So, the law says that there should be separate funds?

MR. SPERO:

That's correct.

LEG. BISHOP:

And legislatively I guess we're proceeding with separate funds but administratively you pool the money.

MR. SPERO:

Administratively the money is pooled. The County Executive and the Legislature never set up the separate funds as required under the law. And when the '05 budget is done, that really should happen.

CHAIRMAN CRECCA:

Alan, do you agree that there should be separate funds on this? Could you just state your name for the record. There's a mike to your left.

MR KOVESDY:

Good afternoon. Alan Kovesdy, with Suffolk County Budget Office.

CHAIRMAN CRECCA:

Okay. Do you agree that these should be in three separate funds; that is the 477 account should be broken into open space, farmland and water quality restoration?

MR. KOVESDY:

I know that in past budgets, there were separate accounts on funding in the Capital Budget that were put in. And the Legislature in their wisdom combined them into one account. And that's always been done in the past.

CHAIRMAN CRECCA:

I appreciate you using the word wisdom and Legislature in the same sentence. However, is it your position that they should not be separated.

MR. KOVESDY:

I'm not an attorney. I wouldn't want to answer that.

CHAIRMAN CRECCA:

Okay.

LEG. BISHOP:

If I can reclaim my ••

CHAIRMAN CRECCA:

Legislator Bishop.

LEG. BISHOP:

I don't think we chose to do that as a policy. I don't recall any discussion of that. I don't know how that occurred. Does anybody the mechanism that it got pooled.

MR. SPERO:

My recollection is the budgets were proposed by the County Executive with all the funding in fund 477. And that's the way it's remained up until this time. But technically we should •• the money supposed to be deposited to fund 477; and then be transferred to discreet funds for the

individual purposes involved.

CHAIRMAN CRECCA:

Well, I would direct, and I don't mean to interrupt, but it's on this point •• that's why I did •• I would say that we should fix it this year and create the three budget lines or revenue lines, however it's •• the account lines, in other words, in the budget so that it is properly segregated, you know. Because it becomes problematic from appropriations point of view for us if we don't have it in the separate lines. And I think it is correctable at this time? Or is that actually amending the budget?

MR. SPERO:

Yeah, it would be amending the budget which we couldn't •• the Legislature couldn't lay on a resolution until September. And it wouldn't be adopted 'til the third week of November. So, you may as well do it as part of '05 budget process.

CHAIRMAN CRECCA:

Well, I know what you're saying. But I think there's a will to do it sooner than the 2005 budget process.

LEG. BISHOP:

Let me ••

CHAIRMAN CRECCA:

I will let •• go right back. I just ask Mr. Zwirn to join us on this issue. I don't know if you've been listening, Ben, but we're talking about the 477 account. And apparently, even though it's for three separate dedicated items open space, farmland and water quality restoration, it's all in one account indicated on the budget line. Legislator Bishop, back to you.

LEG. BISHOP:

I think it's only critical that we do that sooner rather than later if there's some substantive implication.

CHAIRMAN CRECCA:

Well, actually, technically speaking we could over spend one account and short the other one.

MR. ZWIRN:

Oh, you'd have to talk to the Comptroller and the Treasurer, I mean, because that •• whether

money's been deposited. But I'm sure it's segregated in the budget. It's certainly identified by •• in different lines.

CHAIRMAN CRECCA:

It's not •• that's what we were just discussing. It's not segregated in the budget.

MR. SPERO:

It's not.

CHAIRMAN CRECCA:

And, again, it's not •• you didn't •• your administration did not propose this budget. So we're not pointing the finger. We just want to fix it.

MR. ZWIRN:

No, I agree with you, it should be fixed.

CHAIRMAN CRECCA:

You know, Legislator Bishop would like to reclaim his time. And I rudely interrupted him on several occasions.

LEG. BISHOP:

The point is that the money should be dedicated to the original purpose. Have you we lost track of the money in anyway for the original purposes? That's really the question. Did the mingling of the money blur •• blur it in any way?

MR. SPERO:

No. The •• well, from an accounting point of view, you can't tell. But the Treasurer has been able to furnish us with the detail that tell us how much has been allocated to the various purposes.

LEG. BISHOP:

Okay.

MR. SPERO:

But if you looked at the budget, you couldn't tell how the money is segregated.

LEG. BISHOP:

Now, approximately 11% a year •• is that right •• that's the amount for surface water? I think it's eleven and change.

MR. SHANNON:

11.25

LEG. BISHOP:

11.2 •• eleven and a quarter, of a quarter cent. And a quarter cent is 60 million roughly, 11% would be six million plus change. And that's been accruing •• collecting since 2001; is that right? 2001, 2002, 2003?

MR. SPERO:

That's correct. When the program •• the new quarter cent program became effective. I think it was in 2000.

LEG. BISHOP:

I just want to confirm that. Okay. So, that would be about \$18 million at least plus this year. No, no, no. I peeked at your memo and it showed something like six million left. I don't think we've appropriated \$12 million in water quality projects.

CHAIRMAN CRECCA:

Can someone tell what we have appropriated?

LEG. BISHOP:

That's why I'm going through this systematically.

MR. SPERO:

We haven't completed our memo yet on use of the 477 funds. All I can say at this point is that based on the Treasurer's records there's currently available \$8,540,000 for water quality protection programs in cash in fund 477.

CHAIRMAN CRECCA:

I'll tell you the truth. We cannot •• and this was the problem before •• and I have to apologize to people from Cornell who came down, Department of Public Works. But, you know, I can't put the cart before the horse. I've got to know how much money is in there. I got to know

exactly how much ••

LEG. BISHOP:

How much was collected and what it was spent on?

CHAIRMAN CRECCA:

Exactly. What it was spent on and how much do we anticipate collecting by the end of 2004. That was the information that was requested of you for us. What I'm going to do is on behalf of the entire Committee ask both Budget Review to have all of that information for us. And I'm going to ask the Budget Office also to tell us •• answer those same questions. If you'd like, I'll repeat them. That is, how much is in the account for each specific area; how much has been collected in total since the inception of the program; and where it has been expended since the inception of the program; and how much we anticipate will be there by the end of budget year 2004.

LEG. BISHOP:

There are projects that have been approved by the Legislature that probably haven't gone to contract yet. So, there's money that's spoken for as well as that you have to consider.

CHAIRMAN CRECCA:

And I, you know, we cannot •• we probably made a mistake by passing some of these things out last time without having that information. Now, I understand there is a long lapse because of the summer recess and we will not be meeting again after June 22nd until August. With that in mind, I'm adjourning this meeting to nine AM in •• I'm sorry, I'm recessing the meeting to nine AM in Riverhead. We will •• assume we're meeting in the auditorium unless I announce otherwise on Tuesday. What did I say? On Monday? On Tuesday, June 22nd. I would ask everybody to be there in a timely fashion so we can start the meeting. And I would ask for a report in writing from both the Budget Office and the Budget Review Office to expedite that so we get the meeting done relatively quickly. Now, if anybody has specific questions while we are here today before I recess the meeting about any of these programs, I would certainly say you're welcome to ask those questions now of either Mr. Shannon or Cornell or whoever else unless you want to hold those questions 'til Tuesday. But, again, I'll let you ask those questions, if you wish.

LEG. LINDSAY:

I don't specifically have a question, but I agree with the Chairman, the programs here, some of

them seem very worthwhile. But I don't want to overspend any one account to the detriment of the other. And I think it's vital information that we need.

CHAIRMAN CRECCA:

Yes. And the only question that was open from last meeting that maybe you can answer is on the Southampton College question. Was it Southampton College? You want to come up? I forgot your name. I apologize. But •• no, not Tom Williams. I know Tom Williams. Hi, Tom. The gentleman from Southampton College. The other question, too, is this effected in anyway, shape or form by the announcement this morning or what I read about this morning, the announcement of the closing of the undergraduate program in Southampton College?

MR. TETTELBACH:

To answer the second question, no. My understanding in talking with officials this morning is that the undergraduate program is going to be transferred to •• the undergraduate program at the •• the Marine Science Program will be transferred to CW Post after one year. That's my understanding after this morning. My name is Steve Tettelbach. I'm a professor at Southampton College. Does that answer your second question?

CHAIRMAN CRECCA:

That answers my second question. The first was with regard to the administrator's fees. There was some questions when we looked at the budget that the benefits and other fringe costs were extraordinarily high in comparison to some of the others.

MR. TETTELBACH:

Well, I spoke with Catherine _Roket_ who's the Director of their grants office at LIU. And she was able to tell me that the rate that we were quoting for indirect costs was actually the incorrect rate; that we could use our off campus rate which is a considerably lower percentage. So, what this works out to is a reduction from a fringe benefit rate from 92% to 58.6% for a savings of \$90 thousand to the project cost. And she did ask me to point out that our cost, although they seem high, they're actually only based on salaries. They're not based upon all the expenses of the project. For example, equipment, whereas other universities actually often charge their indirect costs on the basis of all the monies requested in the project.

CHAIRMAN CRECCA:

Do we have an amended budget, then, proposal, I should say, contract or whatever that we looked at last time yet or not yet?

MR. TETTELBACH:

Yes, yes, we do.

MR. SHANNON:

The savings in the \$90 thousand is going to be spread out over four years. So, the change to the first appropriation is in the vicinity of \$23 thousand. I was anticipating when we entered into the agreement, that we would hold the agreement with Cornell to the new amount. So, there is •• there is not at this point a new resolution with a new appropriated amount. We're still going on the old appropriation.

CHAIRMAN CRECCA:

How do you do that, though? Does the numbers change in the appropriating •• the back up to the appropriation resolution shows ••

MR. SHANNON:

We would have to proceed with a new resolution or revised resolution.

CHAIRMAN CRECCA:

Can't we just change the backup?

MR. SHANNON:

Yeah, we can do that we well.

CHAIRMAN CRECCA:

Well, if the budget's saying I don't want to have a backup that represents certain numbers and then the numbers change.

MR. SHANNON:

Right. I have a memo here from Cornell which outlines all of the previous testimony. And it has the backup that I can make copies and forward to you today if you wish.

CHAIRMAN CRECCA:

If you would, Bill, if you just to myself and the other members of the Committee as well as legislative counsel and the clerk. Most importantly to the Clerk's office so that they can have the amended backup. Legislator Binder.

LEG. BINDER:

You had said that •• after a year it's moving •• the marine program moving to CW Post.

MR. TETTELBACH:

That's my understanding, yeah.

LEG. BINDER:

That's been worked out with Cornell? They don't have a problem with that move? I assume the whole ••

MR. TETTELBACH:

No.

LEG. BINDER:

I mean it seems to be a little harder to do seeding from CW Post to go out to the Peconic. I don't know the logistics of it. And ••

MR. TETTELBACH:

No, it's a very good question. It's very good. We talked about that on the way in on this morning.

MR. SMITH:

Chris Smith with the Cornell Marine Program. Yeah, the actual bay scallops production of seeds will be done at our side Cedar Beach facility in Southold. So, that has not changed at all. The Southampton College participation in the project will allow their faculty to come to our facility and then access the bay from our facility. So, we don't see a logistical problem with that whatsoever.

LEG. BINDER:

Okay. Can you explain to me their role versus your role. So, your role is basically doing the grunt work as we say because your facility hasn't changed. So now it just brings to mind now my question as to what we're paying even 58% for •• to Southampton College so I can understand their role from your prospective; from the Cornell's perspective.

MR. SMITH:

Yes. Southampton brings a powerful ability to work with us to develop results of the project in

terms of doing some monitoring of the actual plantings. The gentleman next to me is the nation's foremost bay scallop ecology expert. And we want him and his staff involved in this along with us. They have some equipment and abilities that we do not have at the Cedar Beach facility in terms of being able to monitoring certain aspects of the environment. And we think that brings a cost efficiency to the project where we would not have to purchase that equipment and higher the experts to be able to do that.

LEG. BINDER:

And how much would that equipment cost if you were to purchase the equipment?

MR. SMITH:

That equipment alone in terms of genetic analysis equipment, electrophoresis equipment, it would cost probably close to a million dollars or so.

LEG. BINDER:

So, Southampton owns this particular equipment. And it's •• that's what they're using •• they're going to be using.

MR. SMITH:

Yes. That and other equipment. But that's probably the foremost expense in terms of equipment purchases we would have to make to replace their capabilities.

LEG. BINDER:

What's the equipment being used on currently? I mean obviously half a million dollars equipment, you must be using something with it. You have ••

MR. SMITH:

Yes.

LEG. BINDER:

And are you taking it off of current uses to put it into other uses? How •• just •• how are you doing that?

MR. SMITH:

It's being currently used for other projects but, you know, there's certainly time to dedicate that equipment to the uses for this project.

LEG. BINDER:

So •• well, you can answer some other questions. But •• here's, I guess, the question. I understand there's some brain power we're talking about that you want. Equipment, you can enter into lease agreements, downtime, if they're not using the equipment. So, the cost to you to put together a lease agreement would be minimal. I know you don't want to buy a million dollars worth of equipment. I'm just •• in just looking at the cost in bringing in Southampton with •• now we're talking about 50% but at whatever percent, there's a significant cost to bring in that we're paying for this consultation. That's really what it comes down to because you can lease equipment. It seems to me, if it exists. You don't have to buy it. And even if it's critical information and I don't know that it is but I'll take your word for it because I wouldn't understand it. I wouldn't understand the criticality of the information gleaned by the •• by the equipment. So, then for us it's a kind of a question as to what's the •• what's the cost for Southampton College? Are we getting a bang for our buck in terms of really what is a consulting contract? I mean that's what it is. We're getting a consulting contract. And, so, you can •• if you want to obviously defend it, your head's going up and down, that's fine. Because we have to make that determination. So maybe you want to ••

MR. SMITH:

Certainly the •• if we had to bid this project out, I think the cost for doing the task that Southampton College faculty would be doing would come in much higher than this. The ••

LEG. BINDER:

You're doing the project. They would be consulting with you. But I mean the actual doing the project ••

MR. SMITH:

They're going to be out on the water, too.

LEG. BINDER:

I understand that. Listen to what I'm saying. You're doing the project. You have the people to do it. You guys are pretty intelligent. You've got resources yourself probably through Cornell itself and through your own services. So, you got a university to back you up. You've got yourself. You got all that. You can probably lease the equipment. My question is •• we're paying for consultation. All right, they're coming out, whatever the consultation entails, the amount •• I don't know if •• maybe the Chairman •• I don't know if you remember how much

was it now? How much are they charging us now, the new figure?

CHAIRMAN CRECCA:

58%.

LEG. BINDER:

58% which comes out to ••

CHAIRMAN CRECCA:

I don't know the numbers. I haven't seen it.

LEG. BINDER:

So, we're talking about a few hundred thousand dollars. It will cost Southampton College a few hundred thousand dollars. So, what I'm zeroing •• trying to zero in on is, what doesn't Cornell Cooperative Extension have through Cornell University, through your own good services, what don't you have other than equipment that could be leased; what don't you have that's going to cost us a few hundred thousand dollars.

MR. SMITH:

Well, we can answer that jointly. But I can tell you that Cornell University does not have a shellfish expert of this stature right off the bat. They do not have the local expertise in terms of the knowledge of the bay scallop environments. Steve and I have been working together 20 years in terms of working on the bay scallop populations in this area. So, to get Cornell up to speed, to get a lot of people and equipment mobilized to this location from Ithaca would be tremendously expensive. So, our value having the expertise in marine science that these people bring to us; that we have whatever expertise in marine science, we have within our own organizations fully mobilized towards this project. But there's some other things that we do need that Southampton College faculty bring to the table. And they bring the foremost capabilities in the nation, too.

LEG. BINDER:

And you don't have •• you don't have •• I don't want it to come out wrong •• you don't have the ability in terms of your ability to analyze and do the project. You don't feel you have the ability to do that?

MR. SMITH:

Not to do what the aspects of the project that they're doing. And it's a very technical •• the genetics work •• we do have some genetic capability at Cornell, at our lab, because we're working with the Department of Ecology to look at bathing beaches and keeping them open and sources of bacteria. And we do have our DNA equipment there. But it doesn't match the equipment that Southampton College has. Ours is very rudimentary and it would cost tremendous amounts of money to upgrade that. And it would drive the cost of this project much, much higher.

LEG. BINDER:

Okay. Thanks.

CHAIRMAN CRECCA:

Thank you, Legislator Binder. I don't have a copy of the bill in front of me today but what's the total cost of the project? Bill?

MR. SHANNON:

The total cost of the project is 2,164,518.

CHAIRMAN CRECCA:

That's based on the \$90 thousand savings? Correct?

MR. SHANNON:

That's correct. That's over four years. That's first year being one ••

CHAIRMAN CRECCA:

Point two.

MR. SHANNON:

1.2, approximately.

CHAIRMAN CRECCA:

Roughly, yeah. Okay. And I got to ask another question because it looks like there's about and a half preliminarily. We'll have those hard numbers on Tuesday. But there's about eight and a half million dollars currently in the water quality restoration portion of the 477 fund. And

I guess •• and I understand it's certainly within the scope, the shellfish protection, and all that. I guess my question is •• and I asked this last time, I'm going to ask it again •• what does this do for water quality? There was a general statement I think last time that increasing the scallops in the bay would increase water quality. But I got the feeling that it was a rather minimal impact on the water quality; certainly a major impact to the scallops themselves. But if somebody wants to •• either one of our two marine guys want to answer that.

MR. TETTELBACH:

I'll try to answer that. It's been shown unequivocally that increasing the populations of oysters has dramatically increased the filtration capacity for the bay. In other words, oysters are filtering food out of the water, particles out of the water. So, by increasing the numbers of oysters present in an area, you can certainly increase the clarity and the quality of the water. This has also been shown with clams, also shown with scallops. So, in terms of increasing the clarity of the water and also the quality of the water by increasing the bay scallop populations, that will certainly add to that as well as all the other benefits that go along with increasing scallop population.

CHAIRMAN CRECCA:

How do you prevent the harvesting of these before they can actually have the benefit?

MR. TETTELBACH:

The season for bay scallop harvest starts in the fall, the first Monday in October. And this is generally after the spawning period for scallops. So, basically the animals are reproducing in a different season from when the harvest is taken place. So, the harvesting will occur after the scallops have had a chance to reproduce.

CHAIRMAN CRECCA:

And that would be enough to keep them going?

MR. TETTELBACH:

Yes.

CHAIRMAN CRECCA:

Or is this a one•shot?

MR. TETTELBACH:

Yes. No. Basically the fishery is removing animals that will die anyway. Scallops basically reproduce just once. And after that, they're eligible for harvesting. And they're all pretty much going to die before they could spawn a second time.

CHAIRMAN CRECCA:

What causes them to not •• the population to drop off in the first place?

MR. TETTELBACH:

Basically the brown tide reduced the bay scallop population to a very, very low percentage of what it initially was. And it's our belief that if we're able to have the resources to plant enough scallops and the numbers as well as the concentrations, that we will be able to bring these back. And no one has been able to attempt this at such a large scale because of the limitation of resources. Except for the Japanese, where this has been done over decades. And they've been extremely successful at this process. So, we're essentially hoping to ••

CHAIRMAN CRECCA:

Beat by the Japanese again. What can I tell you. I appreciate it gentlemen. We will see you Tuesday morning. I apologize for dragging you out again. You know, certainly if you can be there Tuesday morning, great; if not I understand but ••

MR. TETTELBACH:

We'll be there. Thank you.

CHAIRMAN CRECCA:

I apologize. We just need to have some numbers before we can make final decisions on this. The meeting is recessed to nine AM Tuesday day morning. Thank you. Hold on. Legislator Lindsay.

LEG. LINDSAY:

Before we recess, I was a little tardy today. And I'd like my votes cast with the prevailing ••

CHAIRMAN CRECCA:

I'll direct the Clerk to so do so. Meeting recessed.

(THE MEETING CONCLUDED AT 2:32 PM)

_ _ Denotes spelled phonetically

(AT THE SPECIAL BUDGET MEETING HELD ON JUNE 22, 2004, CHAIRMAN CRECCA REQUESTED THAT LEGISLATOR LOSQUADRO'S VOTES BE RECORDED WITH THE MAJORITY)